Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

UNCLASSIFIED

PAGE 01 CARACA 07709 131507Z

53
ACTION DLOS-07

INFO OCT-01 ARA-16 ISO-00 CG-00 DOTE-00 CIAE-00 DODE-00

PM-07 H-03 INR-11 L-03 NSAE-00 NSC-07 PA-04 RSC-01

PRS-01 SP-03 SS-20 USIA-15 AID-20 CEQ-02 COA-02

COME-00 EB-11 EPA-04 IO-14 NSF-04 SCI-06 FEAE-00

FRB-03 OMB-01 TAR-02 SWF-02 AGR-20 LAB-06 OIC-04

SIL-01 STR-08 TRSE-00 CIEP-03 CEA-02 ACDA-19 AEC-11

FMC-04 INT-08 JUSE-00 DRC-01 /257 W
---------- 054934
R 131347Z AUG 74
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 5263

UNCLAS CARACAS 7709

FROM US DEL LOS DR. D.M. LEIPZIGER AID/LOS

DEPT TO DR. JAMES L. MUDGE AID/PPC/PDA/TP

INFO: PPC/IA C. GULICK
EB/ORF/ICD 3527 N. HERRINGER
PPC/PDA C. NICHALOPOULOS

E.O. 11652: N/A
TAGS: PLOS
SUBJECT: LOS: UNCTAD--FOURTEENTH SESSION OF TRADE AND
DEVELOPMENT BOARD (AUGUST 20, 1974 GENEVA)
DISCUSSION OF LOS

REF: TD/B/483 (23 APRIL 1974)
TD/B/483/ADD. 1 (23 APRIL 1974)

1. THESE TWO DOCUMENTS TO BE DISCUSSED BY
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 CARACA 07709 131507Z

TDB AUGUST 20 WITH DR. LAUFER REPRESENTING AID CONTAIN

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

FUNDAMENTAL ERRORS. LAUFER WISHED COMMENTS CABLED TO HIM. PLEASE TAKE APPROPRIATE ACTION. MY COMMENTS FOLLOW.

2. PRIMARY DOCUMENT DETAILS EFFECTS OF SEABED MINING ON LDC MANGANESE PRODUCERS. IT IS BASED ON ECONOMETRIC MODEL (ADDENDUM ONE). TD/B/483 ERRONEOUSLY ASSUMES THAT ALL NODULE PRODUCERS WILL EXTRACT MANGANESE. THIS SEVERELY OVERSTATES POSSIBLE SUBSTITUTION OF SEABED MANGANESE FOR LAND-BASED MANGANESE SOURCES. IN ADDITION, IT ARGUES THAT MANGANESE DEMAND IS TOTALLY INELASTIC, THUS LAND SUPPLY INCREASE FORECASTED FOR 4.2 PERCENT PER ANNUM AND DEMAND INCREASE FORECASTED FOR 3.1 PERCENT WILL IN ABSENCE OF SEABED MINING DEPRESS PRICES.

3. ASSUMPTION OF INELASTIC DEMAND AND TOTAL QUANTITATIVE UNDERPINNING FOR TDB 483 RELIES ON MODEL. MODEL'S SPECIFICATION IS UNSOPHISTICATED AND INACCURATE. TIME IS EXPLICITLY ENTERED AS THE SOLE INDEPENDENT VARIABLE EXPLAINING LDC CONSUMPTION DEMAND OF MN WHILE IT IS TOTALLY EXCLUDED FROM DC CONSUMPTION EQUATION. DW IS ALSO SIGNIFICANTLY MISSING. PRODUCTON EQUATION SUFFERS FROM (A) INDENTIFICATION PROBLEM; (B) SIMULTANEITY BIAS; AND (C) MULTICOLLINEARITY OF REGRESSING VARIABLE ON ITSELF. THE PRICE EQUATION SHOULD BE A REDUCED FORM ESTIMATION IN A PROPERLY IDENTIFIED SIMULTANEOUS SYSTEM.

4. SUGGEST THAT ALL RESULTS BASED ON THIS MODE BE DISCOUNTED.
STEVENSON

UNCLASSIFIED

NNN

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LAW OF THE SEA, DOCUMENTS, EXPLORATION, LESS DEVELOPED COUNTRIES, DIPLOMATIC DISCUSSIONS, DIPLOMATIC COMMUNICATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974CARACA07709
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740221-1168
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740853/aaaabtbi.tel
Line Count: 91
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION DLOS
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: TD/B/483 (23 APRIL 1974)
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 24 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 JUN 2002 by reddocgw>; APPROVED <22 JAN 2003 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: LOS: UNCTAD--FOURTEENTH SESSION OF TRADE AND DEVELOPMENT BOARD (AUGUST 20, 1974 GENEVA)
TAGS: PLOS, VE, US, (LAUFER)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005